



Association of Bay Area Governments
Bay Area Air Quality Management District
Metropolitan Transportation Commission

Joint Policy Committee

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February 22, 2006

The Honorable Wes Chesbro
California State Senate
P.O. Box 942848
Sacramento, CA 94248-0001

Re: Infrastructure Bond Proposal

Dear Senator Chesbro:

The Joint Policy Committee (JPC) oversees the consolidated planning program of the Bay Area Association of Governments (ABAG), the Bay Area Air Quality Management District (BAAQMD), and the Metropolitan Transportation Commission. Our 21 voting members are drawn from the ranks of elected local-government officials from throughout the nine-county San Francisco Bay Area. The JPC recommends the incorporation of three key elements into the final infrastructure bond package that you will be deciding upon over the next few weeks in your capacity as chair of the bond conference committee. We believe that these elements will help ensure prudent investment choices and will assist in achieving maximum return for the dollars invested.

1. REGIONAL EFFICIENCY

California is a state of regions. Over 80 percent of Californians live in four major metropolitan regions: the Bay Area, the Sacramento metropolitan area, greater San Diego, and the area of Southern California that has Los Angeles at its center. All of these regions have engaged their citizens in creating visions for the future: comprehensive planning exercises that offer solutions to each region's transportation, housing and environmental challenges. These visions recognize that infrastructure investment alone is not the answer. In addition to greater funds to meet the numerous demands of a rapidly growing population, there is a need for incentives to promote compact patterns of transit-oriented development, conservation of agricultural land and open-space, revitalization and enhancement of existing communities, greater affordable housing, and concerted actions to protect the environment.

The infrastructure bond could help these regions realize their visions by:

- Funding an integrated system of regional and local plans;
- Providing incentives to areas that pursue land-use changes consistent with the desired regional visions and with the most efficient use of existing and planned infrastructure.

2. TRANSPARENT CHOICES

Californians want fairness in the distribution of resources across the state and across all categories of infrastructure investment — each according to need. The state's infrastructure bond should strike a defensible balance between transportation and flood control; between goods movement and people movement; between transit and automobiles; between intra-regional and inter-regional; between north and south; between coastal and central areas.


We believe these goals can be achieved by structuring the bond not as a list of "earmarked" projects, but as a set of programs. Finite resources should be allocated among programs on the basis of clear priority and comparative need. To the greatest extent possible, the bond should build upon existing processes for allocating funds, rather than creating new ones. For instance, most transportation funds should be directed towards the State Transportation Improvement Program (STIP) or repayment of outstanding Proposition 42 loans. This will ensure that the projects selected are the true priorities of each region, and will enable funds to be put to use as quickly as possible, since there would be no need for new procedures to be developed. Projects should compete within programs on the basis of objective, measurable criteria that will allow progress to be assessed and performance improved.

3. LOCAL INITIATIVE

The state infrastructure bond should leverage state money by rewarding local and regional initiative, treating local and regional funds as a complement, not as an alternative to state funding. In the San Francisco Bay Area alone, voters have approved over \$8 billion worth of improvements on the state highway system over the last 20 years, from both sales tax measures and bridge toll increases. In many cases, the expenditure plans approved by voters include high-priority projects that are not fully funded, either because project costs have grown or because the expenditure plan also relied on state or federal funds that have yet to materialize. The infrastructure bond could help to deliver these projects and send a powerful message that local initiative will be rewarded.

Thank you for your leadership and for your consideration of these ideas as key elements of a successful infrastructure bond.

Sincerely,


 Jon Rubin, Chair

CC: President Pro Tempore Don Perata
 Assembly Speaker Fabian Nuñez
 Senator Dennis Hollingsworth
 Senator Kevin Murray
 Assembly Member Judy Chu
 Assembly Member Rick Keene

Assembly Member John Laird

Alan C. Lloyd, Secretary, California Environmental Protection Agency

Sunne Wright McPeak, Secretary, Business and Transportation Housing
Agency

Will Kempton, Director, Caltrans

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